

**Opportunity Title:** State Innovation Models: Funding for Model Design and Model Testing Assistance

**Application Organization Name:** Commonwealth of Massachusetts/EOHHS

**Funding Opportunity Number:** CFDA: 93.624

**Projected Date for Award Announcement:** December 2012

**Project Abstract**

The Commonwealth of Massachusetts' proposed project is a multi-payer model to transform the delivery system by moving the market away from fee-for-service payments and towards a system capable of delivering on the triple aim: better care, better health, and lower costs. Having successfully implemented a coverage expansion that became a national example, the Patrick-Murray Administration has been steadfast in its efforts to ensure the affordability of coverage for families, employers, and government by addressing health care costs. The Administration's efforts recently culminated in first-of-its-kind state legislation committing the Commonwealth and all of its payers and providers to an ambitious transformation of the delivery and payment system while holding cost growth to a specific target. This proposed project builds upon this legislation and the history of innovation and multi-stakeholder engagement in Massachusetts.

While each payer in the state defines its own initiative for payment and delivery system transformation, these initiatives share a vision, payment framework, and operational structure. These three elements make up the model to be tested under the grant. The vision is for primary care providers, potentially in the context of a broader organization or partnership, to improve care and assume accountability for cost through a patient-centered medical home that includes care coordination and care management, enhanced access to primary care, coordination with community and public health resources, and population health management. The payment framework includes paying primary care providers and their partners shared savings/shared risk payments with quality incentives based on a statewide set of quality metrics as well as payments to support practice transformation. The operational structure includes providing primary care practices with data to support care coordination and accountability, a statewide approach to collecting and reporting quality data, a statewide approach to fostering connections between primary care and other resources, and a statewide approach to identifying and disseminating best practices. This model is designed to support the primary care base of the delivery system, build the appropriate connections between primary care and other providers, and leverage primary care to promote change across the delivery system.

Many major payers in Massachusetts have developed or are creating initiatives aligned with this model, including MassHealth, the Group Insurance Commission, private payers, and Medicare. Massachusetts has already been developing many foundational aspects of health system transformation in collaborative initiatives involving payers, providers, and other stakeholders, including health information technology infrastructure and statewide quality measurement initiatives, and these efforts will be further strengthened through this proposal.